

Agricultural lien change questions answered

Effective January 1, 2010, Arkansas law designated the Secretary of State as the filing office for agricultural liens and farm-related security interests.

The transition created by the passage of Act 942 of 2009 has been relatively smooth. To address the most common procedural questions dealing with this new legislation, the following should be noted:

Certified Copies: The circuit clerk's office must certify copies of a financing statement that was previously filed with the circuit clerk's office and is now being transferred to the secretary of state's office. Copies certified by a bank officer or notary public are not acceptable.

Complete File: When transferring a financing statement from the circuit clerk's office, the file must contain all filings made to the financing statement. If the initial financing statement was filed more than five years ago, the continuation statement should be included. Any other amendments made to the financing statement should also be present.

New Filing Number: When a financing statement is transferred from the circuit clerk's office to the secretary of state's office, it is given a new filing number. The county filing number is not indexed and is no longer searchable. Please refer to the new filing

See TIPS, page 4

Online filing, education contributions increase

In an effort to improve services provided to business owners, the Secretary of State's office began offering franchise tax reports online in 2003. During the first year of service, clients filed 3,817, or 4.17 percent, of total franchise tax reports online.

The online option has gained popularity. From 2003 to 2009, total franchise tax payments increased by 20.11 percent, while online franchise tax filings increased 90.95 percent, to 42,505.

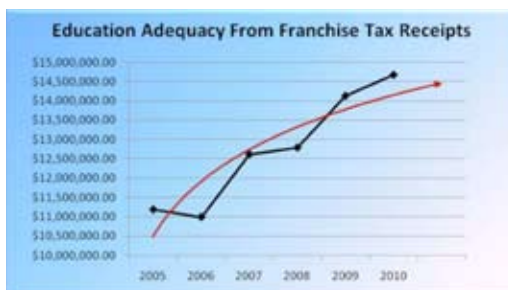
Arkansas code 26-54-104, adopted by the legislature during the Second Extraordinary Session of 2003, increased the state's

franchise tax rates as part of its funding plan for improvements for the state's education program. Since the new rate became effective in 2005, the Secretary of State's office has collected and disbursed \$76,376,941.70 to the Education Adequacy fund.

The table and graph below indicate the collections and total disbursements to the Education Adequacy fund.

As the table shows, annual collections for education have risen from \$11,184,514.89 in fiscal year 2005 to \$14,672,389.17 for fiscal year 2010. This is an increase of 23.77 percent. The graph demonstrates the actual collections for fiscal years 2003-2010 as well as the upward trend for future collection.

Franchise Tax		
Fiscal Year	Revenue Collected	Education Adequacy
2005	\$ 18,968,809.76	\$ 11,184,514.89
2006	\$ 18,741,402.06	\$ 10,990,602.97
2007	\$ 20,279,524.27	\$ 12,614,072.40
2008	\$ 20,786,774.60	\$ 12,786,774.60
2009	\$ 22,128,587.67	\$ 14,128,587.67
2010	\$ 22,672,389.17	\$ 14,672,389.17
Totals	\$ 123,577,487.53	\$ 76,376,941.70



Secretary of State Charlie Daniels

As the business community moves into the fourth quarter of 2010, the Business and Commercial Services division will focus on franchise tax delinquencies, the fall notary schedule and the "not current" status run.

I'm pleased to announce that certain sessions of our notary public education classes now offer Continuing Education Unit (CEU) hours. The Notary Corner on page 2 provides more details about this program, and the schedule is listed on page 4.

Notary classes begin this month, so sign up today. Schedule a free (non-credit) private notary seminar for your business if the public schedule listed in this issue of *Arkansas, Inc.* does not meet your needs.

Nonprofit annual reports were due August 1. If your nonprofit organization has not filed, please do so at www.sos.arkansas.gov. After December 31, all nonprofit companies that have not filed a 2010 report will be listed as "not current," but no penalty is assessed.

(See LETTER, page 2)



NOTARY CORNER

NCCUSL proposes laws; notaries can obtain credits

The National Conference of Commissioners on Uniform State Laws (NCCUSL) recently convened a drafting committee to develop a new uniform law for notarial acts.

NCCUSL is a group consisting of practicing attorneys, scholars and other persons interested in promoting specific uniform state laws. When the commission perceives that a uniform state law needs to be developed or an existing law should be updated a study committee is formed. This group gathers information, organizes comments and then drafts a proposed law.

When the draft proposal is finished, each state can introduce and pass the proposal in its entirety, implement a portion of the law or reject it in its entirety.

The proposed Uniform Law on Notarial Acts seeks to detail and clarify many areas that are dealt

with only generally in Arkansas law. The proposed law adds more detail in the areas of personal appearance, identification of individuals, the authority to refuse to perform notarial acts and surety bonding for notaries public. Subjects that currently appear in other chapters of the code that will be consolidated into the notary law include the list of other officials that can perform notarial acts in this state, other states and foreign countries and required information that should be on the notary certificate.

As with the other states, Arkansas must evaluate this proposal and determine if this law is needed in this state. Additional information on this and other uniform laws can be found at www.nccusl.org/update/.

Information for this article is based on the Revised Uniform Law on Notarial Acts presented at the NCCUSL's Chicago meeting in July 2010.

Notary seminars now offer credit hours

To accommodate the increasing number of professionals required to earn professional development hours, Secretary Daniels introduces the option of professional development hours and Continuing Education Units (CEUs) in select Notary Public Education Seminars.

By partnering with the Arkansas Public Administration Consortium (APAC) and UALR these seminars will give participants 1.5 hours of Professional Development. There is no cost to the attendee at this time.

Upon completion of the seminar, attendees will receive certification of the number of CEUs and Professional Development Hours earned.

Seminars offering CEUs are currently limited to certain dates and times in Little Rock. This schedule may be expanded in the future.

Dates offering credit hours are denoted by an asterisk in the schedule on page 4.

Revocation nears for delinquent taxes

In October, the Business and Commercial Services Division will mail notices for unpaid 2010 franchise tax to remind companies to pay as soon as possible. Businesses that did not meet the May 1 franchise tax deadline have been listed in "not current" status since that date. If the tax and annual report have not been filed by Dec. 31, the businesses will be listed in "revoked" status.

Failure to pay franchise tax and file an annual report is the most common cause of a corporation not being

in good standing or being revoked. Revocation endangers a corporation's corporate protections and bars them from many corporate activities.

Revocation can be reversed and the company returned to good standing by paying back franchise taxes with penalties and interest and updating the appropriate tax forms.

If a corporate entity is dissolving in 2010, it must file a dissolution and final franchise tax report by Dec. 31, 2010, to avoid being assessed franchise taxes for 2011.

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The goal of our summer internship program is to provide opportunities for college and high school students to learn and work in a professional setting. Fourteen interns were afforded the opportunity to gain first-hand experience in the BCS division of the Secretary of State's office over the summer months.

As always, the Secretary of State's Office is here to serve your business needs. Contact us at any time at www.sos.arkansas.gov or 501-682-3409 or 1-888-233-0325.

Business and Commercial Services

Frequently Asked Questions

Q. What happens if I neglect filing the annual report for my nonprofit company?

A. The company status will change from "good standing" to "not current" if no report is filed. There is no fee associated with this report. The report is available on our website, www.sos.arkansas.gov, for online filing or downloading for mailing.

Q. Are "Doing Business As" (DBA) companies required to register?

A. If you want a DBA name under the umbrella of your legal name, you must file the Application for Fictitious Name. You may file online or download the form from

our website and mail it to the Secretary of State's office.

Q. What is the procedure for removing a fictitious name from a corporation?

A. You must send a letter requesting the name be removed. The letter must include the legal name of the company and an original signature of an active officer. The filing fee for the removal is \$25.

Q. What is the procedure for starting a new business?

A. If you wish to file a business with the state of Arkansas, you must register with the Secretary of State's office. To file for a business license, you

must contact your local city hall. Sole Proprietorships are registered on the county level in the office of the County/Circuit Clerk. You may need to consult an attorney or a CPA to help you choose the appropriate business type.

Q. Can corporate information be changed over the phone?

A. No, information regarding corporate documents cannot be changed over the phone. This should be filed by downloading the necessary form or filing online.

Have a question? E-mail us: [Business and Commercial Services at corporations@sos.arkansas.gov](mailto:corporations@sos.arkansas.gov).

2010 BCS Interns



Andrea Mack



Megan Mabry



Kerstain Mason



Rachel Barfield



Caroline Guerra



Benjamin Rogers



Lillie Peterson



Kenny Williams



Cheyenne Hampton



Seyanna Stephens



Blair McKnight



Megan Brewer



Kaayla Williams



Joseph Van de Grift

Fall notary education schedule includes 24 sessions in 19 cities

The Secretary of State's office is again preparing to tour the state providing free notary public education. We will conduct classes throughout Arkansas this fall.

Required preregistration is available online at www.sos.arkansas.gov, by calling 501-682-3409 or toll free 888-233-0325, or by e-mailing arkansascorporations@live.com.

Electronic registrations will be confirmed by e-mail, which will include specific location information and other details.

The Secretary of State's office also offers special-request notary seminars for groups of 10 or more. To request a seminar at your location, use the contact information included here.

Upcoming sessions include:

September

8 — Little Rock *9 a.m. & 1 p.m.

13 — Harrison 3 p.m.

14 — Mountain Home 9 a.m.

Clinton 2 p.m.

23 — El Dorado 3 p.m.

24 — Monticello 9 a.m.

Pine Bluff 1 p.m.

27 — Mena 3 p.m.

28 — Hot Springs 9 a.m.

Arkadelphia 1 p.m.

October

7 — Rogers 3 p.m.

8 — Springdale 8:30 a.m.

Fayetteville 12 p.m.

12 — Little Rock 9 a.m. & *1 p.m.

26 — Helena 3 p.m.

27 — West Memphis 9 a.m.

Forrest City 1 p.m.

November

4 — Paragould 3 p.m.

5 — Jonesboro 9 a.m.

Searcy 1 p.m.

10 — Little Rock *9 a.m. & *1 p.m.

** Denotes CEU option; see page 2*

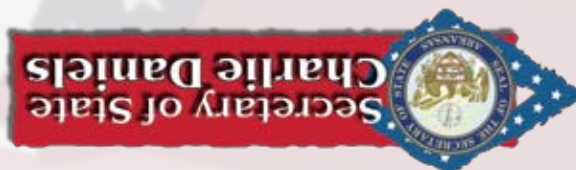
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number when referencing a financing statement or filing an amendment, continuation, or termination (UCC3).

Single-side: To facilitate the filing of financing statements and to reduce errors, the Secretary of State recommends that all documents be printed on one side of the paper only. Information on double-sided pages increases the potential for filing errors.

If you wish to receive future issues of Arkansas, Inc. electronically, send an e-mail to arsos@sos.arkansas.gov and provide a contact name and number for your business.

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